

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	:
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	:
	:
Debtors.	:
	:
	:
-----X	

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

**AFFIDAVIT AND DISCLOSURE STATEMENT OF JAMES JEFFREY SHANKS
ON BEHALF OF BLAKE CASSELS & GRAYDON LLP**

PROVINCE OF ONTARIO)
)
COUNTRY OF CANADA)

James Jeffrey Shanks, being duly sworn, upon his oath, deposes and says:

1. I am a Partner of Blake, Cassels & Graydon LLP, located at Suite 2300, Commerce Court West, 191 Bay Street, Toronto, Ontario, Canada, M5L1A9 (the "Firm").
2. Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors") and, collectively with their non-debtor affiliates, ("Lehman"), have requested that the Firm provide legal services to the Debtors and to certain of its non-debtor affiliates that are engaged primarily in joint venture arrangements for the development of real estate in Canada with arm's length third parties (known as sponsors), for the benefit ultimately of the Debtors, and the Firm has consented to provide such services.
3. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors' chapter 11 cases. As part of its customary practice, the Firm is

retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. To the best of my knowledge and belief and insofar as I have been able to ascertain, the Firm does not currently perform services for any such person in connection with these chapter 11 cases. In addition, and to the best of my knowledge and belief, the Firm does not have any legal advisor relationship with any such person, their attorneys, or accountants that would be adverse to the Debtors or their estates.

4. Neither I, nor, to the best of my knowledge and belief, any principal of, or professional employed by the Firm, have or has agreed to share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of the Firm.

5. Neither I, nor any principal of, or professional employed by the Firm, to the best of my knowledge and belief and insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates.

6. So far as I have been able to ascertain from our accounting staff, the Debtors and/or their non-debtor affiliates owe the Firm approximately Cdn.\$556,993.94 for prepetition services. In point of fact, some of such legal fees owing for prepetition services are owed to the Firm either (i) by non-debtor affiliates of the Debtors (and not necessarily by the Debtors) and/or (ii) by non-related sponsor parties engaged in the above-mentioned joint venture arrangements with such non-debtor affiliates of the Debtors, and as such, may therefore not represent claims against the Debtors, unless and to the extent not paid by such other persons.

By: James Jeffrey Shanks
James Jeffrey Shanks

Subscribed and sworn to before me
this 12th day of November, 2008

Aimee Yee
Notary Public in and for
the Province of Ontario



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RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY LEHMAN BROTHERS HOLDINGS INC. OR ANY OF ITS DEBTOR AFFILIATES (collectively, the "Debtors")

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.
RETURN IT FOR FILING BY THE DEBTORS, TO:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Jennifer Sapp
Christopher Stauble

All questions **must** be answered. Please use "none," "not applicable," or "N/A," as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of Firm:

**Blake Cassels & Graydon LLP
Suite 2300, Commerce Court West
191 Bay Street, Toronto, Ontario
Canada M5L1A9**

2. Date of retention: **March 2002 (approximately)**
3. Type of services provided (accounting, legal, etc.): **Legal**
4. Brief description of services to be provided:

Continuing legal services to the Debtors and their non-debtor affiliates in connection with various on-going real estate projects structured as joint venture and/or loan arrangements between the Debtors and/or their non-

debtor affiliates, on one hand, and arm's length third party sponsors, on the other, and with a view toward the completion of such real estate projects for the monetary benefit of the Debtors and their non-debtor affiliates and/or with a view toward the protection of the rights and interests of the Debtors and their non-debtor affiliates in such real estate projects

5. Arrangements for compensation (hourly, contingent, etc.)

all legal fees are charged primarily on an hourly rate basis according to our standard fee schedule

- (a) Average hourly rate (if applicable):

the average hourly rates of the lawyers involved varies but is typically about C\$600 per hour

- (b) Estimated average monthly compensation based on prepetition retention (if Firm was employed prepetition):

will vary according to work done in any month, but a fair estimate may be not more than \$50,000 per month for all on-going files

6. Prepetition claims against the Debtors held by the Firm:

Amount of claim: **approximately Cdn.\$556,993.94 for prepetition services. In point of fact, some of such legal fees owing for prepetition services are owed to the Firm either (i) by non-debtor affiliates of the Debtors (and not necessarily by the Debtors) and/or (ii) by non-related sponsor parties engaged in the above-mentioned joint venture arrangements with such non-debtor affiliates of the Debtors, and as such, may therefore not represent claims against the Debtors, unless and to the extent not paid by such other persons.**

Date claim arose: **various dates**

Source of Claim: **various legal accounts rendered by Blake Cassels & Graydon LLP prior to petition date**

7. Prepetition claims against the Debtors held individually by any member, associate, or professional employee of the Firm:

Name: **None to the best of our knowledge**

Status: **N/A**

Amount of Claim: **\$N/A**

Date claim arose: **N/A**

Source of claim: **N/A**

8. Stock of the Debtors currently held by the Firm:

Kind of shares: **None**

No. of shares: **None**

9. Stock of the Debtors currently held individually by any member, associate, or professional employee of the Firm: **None**

Name: **N/A**

Status: **N/A**

Kind of shares: **N/A**

No. of shares: **N/A**

10. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates with respect to the matters on which the above-named Firm is to be employed.

Not aware of any interest adverse to the Debtors or to their estates with respect to the matters on which the Firm is to be employed

11. Name of individual completing this form:

James J. Shanks, Partner

A handwritten signature in black ink, appearing to read "James J. Shanks", written over the printed name.